



Department Of Insurance

P .O. Box 517
Frankfort, Kentucky 40602-0517
(502) 564-3630

GEORGE NICHOLS III
COMMISSIONER

PAUL E. PATTON
GOVERNOR

Thursday, Nov. 22, 2000

For Immediate Release

Contacts: Roger Snell, Department of Insurance, (502) 564-6098

Department of Insurance moves to protect prescription benefits of Advantage Care members

FRANKFORT, KY. – The Department of Insurance and MedImpact reached agreement in Franklin Circuit Court late today to protect all Advantage Care policyholders and require all participating pharmacies to continue honoring Advantage Care and MedImpact prescription drug benefit cards.

Insurance Commissioner George Nichols III announced that the department went back to court after erroneous information was circulated indicating that pharmacy benefits of Advantage Care policyholders had been terminated. A number of enrollees called the department's Consumer Protection & Education Division to report their prescription cards were not being honored.

Today's court decision assures payment to MedImpact for some pending claims and provides assurances for future pharmacy claims until Advantage Care ceases operation.

MedImpact is the pharmacy benefit manager for Advantage Care, a Lexington health insurer. Advantage Care and the department went to court earlier this month to ask Franklin Circuit Court Judge Roger Crittenden to allow state regulators to supervise daily operations of the financially troubled company. Advantage Care operations could end as early as Dec. 31.

This emergency action by the Department of Insurance was necessary because interruption of medication for as little as 12 hours could have serious health effects. For example, 3 percent of all prescriptions issued to Advantage Care policyholders are for seizure and neurological disorders, 20 percent for hypertension and cardiac disease, and 8 percent for diabetes and asthma.

Commissioner Nichols stressed that the pharmacy cards are valid and should be honored by pharmacists. Anyone with questions or concerns, including enrollees and pharmacists, can contact the department's Consumer Protection and Education Division at the toll free number: 800-595-6053. In addition, the department will also post any details that become available, on our web site, at www.doi.state.ky.us.



An Equal Opportunity Employer M/F/D

Advantage Care provides health insurance to at least 36,000 Kentuckians in 55 counties of central and eastern Kentucky. Approximately 1,500 of those policyholders are covered by a state health insurance plan offered to state, county and public school employees. About 12,000 enrollees use the pharmacy card each month.

Employees and employers relying on Advantage Care coverage have been encouraged by the department to look for other coverage with other insurers as soon as they can. About 80 percent of Advantage Care's policyholders are currently facing renewals of coverage that would have taken effect on Jan. 1, 2001.

Commissioner Nichols said that employer groups deserve credit for responding to this difficult situation by quickly moving their employees/policyholders to other insurers and benefit plans.